

SECRETARY OF DEFENSE WILLIAM J. PERRY
 SPECIAL BRIEFING ON MODERNIZATION OF THE MILITARY AND THE BOSNIAN SITUATION,
 WITH DEPUTY SECRETARY OF DEFENSE JOHN DEUTCH
 PENTAGON
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SEC. PERRY: Well, happy holiday season to you all.

I'm going to talk about two things today. I'm going to give you a brief summary of the decisions which were made on modernization, and then I'm going to give you a statement about Bosnia. And then I'm going to handle -- take three or four questions, and then I'm going to turn the meeting over to Dr. Deutch, who will take as many questions as he has the fortitude to take.

Starting off with modernization, the primary goal of our budget planning this year has been to fund the readiness and quality-of-life initiatives which have previously announced. And last summer we announced that we were prepared to slow or to cancel modernization programs in order to fund readiness. We said at that time people come first. And our view as to how much cancellation or slowing we would have to do was based on the then-planned defense budget for fiscal '96 and beyond.

Last week, President Clinton announced that he plans to boost defense spending over the six-year period by \$25 billion to enhance readiness, to fund the military pay increases, to improve quality of life, and to finance some of this force modernization. This new budget top line eased some of the hard choices we had to make on modernization, but we still have to find some savings in the modernization programs. We've made those decisions, and I'm going to describe them to you today.

The program changes that I'm announcing were first discussed in the so-called Deutch Memorandum. At that time, the time that Dr. Deutch wrote that memo, the Pentagon anticipated cuts in modernizations could be as high as \$20 billion. But the president's decision and new inflation assumptions have made our job much easier. The savings I'm

announcing today are much less, in particular the \$7.7 billion in previously-planned modernization spending over the next six years.

These cuts, we believe, are prudent, and they will not interfere with our efforts to develop the new wave of weaponry needed for the 21st century. Specifically the decisions are: first, to cancel the tri-service stand-off attack missile. This system has had significant development problems, and current estimates of the unit cost in production are unacceptably high, and that made it then a very logical candidate for cancellation, and we're doing that.

Secondly, we're structuring the Army's Comanche helicopter program. We will complete the development of the Comanche and we will build two flyable prototypes, but the budget we're submitting here has no production funds for Comanche in it. We will depend on the Apache Long Bow system to provide the capability for the near to medium term.

The third decision was reduce the construction rate of the DDG-51 Aegis program from 18 over the six-year period to 16.

Fourth, we are delaying the start of a third new attack submarine by one year. Building that sub, then, is going to start in fiscal 2002 rather than 2001 as previously planned.

We're going to produce the V-22 Osprey to meet both Marine Corps and special operations lift requirements. This will mean that there will be slightly fewer planes for the Marines over the next six-year period, but we are going ahead with the V-22 production program.

We are delaying the development of the Advanced Amphibious Assault Vehicle by two years. This will allow us to replace the Marine Corps existing fleet after the turn of the century.

We're going to reduce the fiscal '96 R&D spending on the F-22 fighter by 10 percent. This is going to have only a marginal impact on the program because we do have some existing funds from previous years that will be available.

Two programs that were mentioned in the original memo, the Army's Advanced Field Artillery System and the JPATS, the Joint Primary Aircraft Training System, will not be changed at all.

We believe that these adjustments are acceptable, they protect our technology base, and they allow important force modernization programs to continue at a rate that we can afford and they do provide the

necessary savings which help us increase funding for readiness.

Now, let me go from modernization to talking about Bosnia. Early in this administration, President Clinton made a policy decision, like President Bush had made before him, and that decision had two components. First was not to send military forces to participate in the Bosnian war as a combatant; and secondly, not to send U.S. military forces to participate in UNPROFOR, the U.N. peacekeeping mission in Bosnia, until such time as a peace agreement is reached. That policy decision, those two components, still stand. In the meantime, however, a question has arisen. If the U.N. requests NATO to participate in an extraction of UNPROFOR -- the U.N. forces in Bosnia -- will the U.S. participate, and will we participate with ground troops?

My recommendation to the president on that, which recommendation was shared by Secretary Christopher, and National Security Advisor Lake, was that we should agree to do that. We have always participated in U.N. operations, indeed we've always participated in the leadership role. And I saw no reason to make an exception to this operation. If we did make an exception we would seriously weaken NATO and it would certainly destroy our position as a leader of NATO.

So that's what we recommended to the president, and that is what the president agreed to. At the same time, he is reaffirming our policy of not participating in the war as a combatant and not participating in UNPROFOR until or unless a peace agreement is signed. That policy has not changed.

Now the question has further arisen, is what forces are likely to be needed for this extraction operation? For the last month or so NATO has been doing a detailed study on the various contingency -- which they might face in extraction, and the forces that would be needed to meet those contingencies. I will be reviewing the study in some detail with NATO defense ministers in the coming week. Monday morning I'll be meeting here in Washington with the French Defense minister, Francois Leotard. Tuesday afternoon I'll be meeting with the British Defense Minister, Malcom Rifkind, and the NATO secretary general. Wednesday I will be meeting with all of the NATO MODs that have ground forces in UNPROFOR, and we will be discussing in some detail -- reviewing in some detail -- the NATO plans and expressing our judgment about how they should be executed. I might also mention that on Friday I will be in Moscow on this trip, and I will review these plans with Minister of Defense Grachev when I'm in Moscow.

I do want to emphasize that at this time NATO has not been requested to supply those troops. That is, the UNPROFOR has not made a decision to leave, and we hope that UNPROFOR will continue to stay. We believe they're performing a valuable mission.

I'd also want to emphasize that NATO does not have a single plan of action. They have prepared several different contingency plans. Which one would be used would depend on the specific situation that existed at the time a request would be made. And finally, that U.S. participation -- if NATO is called upon, U.S. participation would be based on a careful review of the specific plan that is being considered, and we would do this with full consultations with our Congress.

Now, with that opening comment, I would make -- I'm happy to take your questions.

(Jamie ??)

Q: Could you give us your assessment of how likely such an extraction operation is to take place and what your assessment is of the threat that would be posed to U.S. troops, and any sort of range of numbers of U.S. troops that might be involved?

SEC. PERRY: I'll have a better position to giving you a judgment on that next week. I did talk yesterday with the British minister of defense, who had just returned from Bosnia where he had met with the UNPROFOR forces there, and his judgment when I talked with him yesterday is that UNPROFOR continued to perform a useful mission, UNPROFOR continued to be viable, and he was in favor of continuing the UNPROFOR mission until or unless some events happened which made it not useful or not viable.

So, it's entirely possible that UNPROFOR will not be pulled out, but that's a decision that's going to be made by the U.N. and going to be largely influenced by the countries that have the troops on the ground there. It will not be a U.S. decision.

I'll take Charlie, and then I'll take you.

Q: Mr. Secretary, how likely -- in the event of the pullout of the U.N. forces -- is there that increased NATO bombing will then be begun in order to protect civilian enclaves and perhaps bring the fighting to an end?

SEC. PERRY: If the UNPROFOR is pulled out, the immediate imperative and the immediate actions that should be taken would be a reinvigorated diplomatic approach designed to achieve a cease-fire, designed to reach a negotiated settlement, and also it would give us an opportunity to propose a build-down of the forces, the military forces in Bosnia now, particularly the heavy equipment and the armored equipment. If that negotiated settlement, if that

cease-fire were not to be agreed to, then there would be more flexibility in the future for applying military leverage than there is today.

Q: Secretary Perry, has there been any indication thus far given to NATO or through UNPROFOR that the combatants will welcome this extraction or will allow a situation where this extraction and cover by our military is not necessary? And secondly, has this policy announced yesterday yet helped the position of the UNPROFOR troops, especially those who are being held or detained? -- Have you seen any indications from the Serbs, especially?

SEC. PERRY: Two comments on that. The Bosnian Serbian government has stated that if UNPROFOR decides to leave, that they would not interpose any objection to this, they would not try to stand in the way, provided they took their equipment with them. They did not want the equipment to be left behind for the Bosnian government. I'm simply repeating to you a statement made by the Bosnian government. Secondly, we did receive a report yesterday that the -- I talked with the Canadian defense minister yesterday and he told me that the Canadian UNPROFOR troops which were being detained were released yesterday. So that was one change. I don't know how to relate that development to the announcement, but they did happen in coincidence with each other.

Q: Mr. Secretary?

SEC. PERRY: There, and then Jack.

Q: Two questions. Have you set any political guidelines as to what proportion of any rescue force the U.S. would be prepared to put up, firstly? Secondly, if UNPROFOR does pull out, do you anticipate that the U.S. Air Force would have to pick up the slack in terms of providing extra relief supplies that are now being done by UNPROFOR ground convoys?

SEC. PERRY: We have not set quantitative guidelines at this stage. That's something that will be set in the course of the next few weeks, I would think. But we are prepared to participate fully and as a leader in this operation, and therefore, I expect we'll have a substantial percentage of the total, particularly considering that some of the other countries involved will already have troops on the ground there.

I see this as a NATO operation where NATO takes over command and control of the entire operation, both the troops that are brought in and the troops that are already there.

And so this could involve -- this will involve a significant commitment of the U.S. We're talking about -- not about many divisions, but certainly about several brigades of commitment in most of the more

difficult scenarios. I am clear on one point, which is, if we go in on this operation, if NATO goes in on this operation, we're not going in with a token force; we'll want to go in with a strong enough force that will command respect, because it's my judgment that is the best way of avoiding problems, is having a strong enough force that nobody sees it as an inviting target. And by "strong enough" I'm talking about -- only about numbers than in the kind of armament, weapons, they will take in with them.

Now, on the question of the air --

Q: Relief supplies.

SEC. PERRY: Relief supplies. It's entirely possible that we will have to increase air -- sending in supplies by air if UNPROFOR pulls out, because one of the primary functions UNPROFOR has been providing is allowing the convoys, the ground convoys, to take relief supplies to the cities. And so with the departure of UNPROFOR, it is entirely possible that it would be much more difficult to get those relief supplies to the cities. And in that case we may be asked to provide more air support, airlift.

Q: Two quick points. One, the Bosnian Serbs are now saying that there will be no further airlift of humanitarian supplies until NATO suspends its no-fly zone surveillance of Bosnia. How do you view that? Do you accept that? Do you reject it?

Secondly, does the administration plan to seek a vote from the U.S. Congress or simply to consult on the issue as we move down the pike on this, if there is a commitment of American forces?

SEC. PERRY: On the first point, I reject the Serbs' unilateral assertion that they would not allow airlift unless we stopped the Deny Flight operation. And that will be an item of lively discussion at the NATO meeting next week.

Secondly -- the second point again was -- the second question?

Q: Will you seek a vote in the U.S. Congress on any aspect of this, or will you simply be consulting at a high level?

SEC. PERRY: We will have full consultation with the Congress on this at high levels and at committee levels.

Q: Mr. Secretary, you said earlier that the president maintains the position that United States forces should not serve as combatants on the ground. But if they get involved in a hostile situation, how can they avoid being in a combatant situation?

SEC. PERRY: I said we are not entering the war as a combatant; we're not taking sides to help one side or the other win the war. But if we go in on an extraction operation and if our forces are attacked by whomever, they will be conducting a combat

operation and they will be equipped and prepared to not only conduct but to conduct with overwhelming power, overwhelming force whatever mission they have. We will be prepared for combat operations if we go in.

Let me make one other point in answer to Mr. McWethy's question about the consultation; that we have already begun the consultation. I have -- we have contacted all of the leaders of Congress on this. I have personally talked with four of the senior leaders in Congress, all four of whom, I might say, were very supportive of this move.

Q: Could I just clarify one point that you made about the command of any possible extraction operation? Are you saying that once such an extraction operation were to take place that the U.N. troops that are part of NATO countries, that are members of NATO countries, would take off their blue helmets or blue berets and put on their NATO hats and become part of the NATO mission?

SEC. PERRY: No. I'm saying that the command and control of the operation would be integrated for the purpose of the extraction operation and that all of the forces there, in my judgment, would be under the command and control of the NATO commander.

I'm now going to turn the podium over to my friend Dr. Deutch.

Q: Mr. Secretary, could we just clear up one more thing, if I may? Senator Dole said yesterday that if this mission is brought about that the U.N., UNPROFOR should have no say-so whatsoever in the command of this mission, that once NATO troops are on the ground that because of the way UNPROFOR has acted in the past it should not have any -- make any decisions on air attacks or anything. How do you feel about that?

SEC. PERRY: Well, I'll make the same statement I made before. In order to conduct this operation in a smooth, clean, well-organized way, it needs to have a single unitary line of command, and that command should be a NATO and the commander of the operation, the entire operation, should be a NATO commander in my judgment.

Thank you.

John?

MR. DEUTCH: I'll be happy to take any questions on the modernization issues. Yes?

Q: Two questions. First, why did OSD allow the Army to go ahead and restructure what was once called "the quarterback of their digital battle," the Comanche helicopter?

And on the DDG-51, the Navy had set up three per year, as you know, to maintain two shipyards. Does the new production schedule maintain two shipyards?

MR. DEUTCH: We believe that the new production schedule will certainly maintain two shipyards, and the action has been taken with an eye towards the industrial base and not intended at all to impair the viability of those shipyards. We believe they can adjust to this reduced business.

With respect to the digital battlefield of the Army, we're strongly supportive of that. But as Bill Perry mentioned, the emphasis on readiness and people has had -- has led us to look at many of our modernization programs that are important and good modernization programs, but those that can be delayed in order to pay for the readiness and people programs are -- that's happening, and that's the case for production of Comanche.

Q: On TSAM, PGMs were one of the critical force enhancements in the bottom-up review report, one of the things that got you to two nearly simultaneous. And TSAM has been specifically touted as the most silver of bullets because of the low-observability capabilities. Could you address what backfills the role TSAM was going to play, and specifically has the requirement for low-observability in the PGMs changed or discounted?

MR. DEUTCH: TSAM is a silver bullet. The problem is, as Bill said, it's become too expensive a silver bullet. The unit costs have risen very many multiples of what the initial design was. We still see that there is a military requirement and a technical opportunity for a stand-off cruise missile of high accuracy and low cross-section. And eventually we will have to go back and acquire that capacity, that capability, but at lower unit costs than TSAM was going to provide.

Yes?

Q: Following up on Pat's question, just more broadly, Dr. Deutch -- I'm sorry. Dr. Perry said that this wouldn't interfere with weapons modernization programs at all. Yet, in the bottom-up review a number of these programs are, in fact, mentioned as critical to meeting the requirements. How do their cancellation or delay affect your ability to meet the bottom-up review requirements?

MR. DEUTCH: Well, we -- of course, a reduction in these modernization programs does affect the modernization programs of the services. And as I've mentioned already, they are good programs. The reductions are much less than they would have been if we had not had this addition that the president announced last week. But our first priority are people and readiness, and that is key to the bottom-up review. In the near -- next five or six years, we must be prepared to have ready forces that are able to fight wherever they may be called upon in the world. So

this is a issue of priorities. I am also pleased that in the outyears there is a considerable growth in real budget authority made available by the presidential add which will allow us to go back to recapitalize and modernize where possible towards the end of the century.

Q: Two questions. Is TSAM cancelled immediately or after development of a prototype? And second, what are the overall implications here for the defense industry? What message are you conveying to the defense industry?

MR. DEUTCH: I -- the decision here is a program termination, and I think that the precise contractual consequences of that have to be left to the Air Force to manage. They are the program managers. We do not foresee continuing -- at least, our instructions do not say an order to complete development in the case of TSAM, unlike the case of Comanche where we are very eager to get the technology benefit of the completion of the two flyaway Comanche prototype helicopters.

The message for the industrial base is the same message that's been true since the beginning of this drawdown all the way back to 1989. The reduction in the defense budget will mean necessarily smaller procurement of weapons systems and, by influence, a smaller defense industrial base. I don't think that there's any qualitatively different message here than there has been. I do think that it's important to note that these modernization reductions are less than they might have been if we hadn't had the benefit of President Clinton's add.

Eric?

Q: Well, speaking of that add, the president's announcement last week marks the third time since -- in this administration that you all had to go back and get more money to basically support the bottom-up review program. Two questions: Doesn't that lend credence to the criticism that the bottom-up review has been underfunded? And number two, why should we have any confidence that you won't be up before us again next year saying, we need more money for readiness or anything else?

MR. DEUTCH: I think that the straightforward way to interpret the president's decision to add money for the third time is that the president supports the defense program and is going to provide what is necessary to fund that program and to maintain high readiness. The fact that we had a shortfall was known from the point (in) time that we presented the bottom-up review, and the president at that time decided to put off last year until this year what to do about that shortfall in funding.

We believe that the combination of the add that the

president made, the more favorable economic assumptions, these modernization reductions that are being announced today -- the combination of those three measures do indeed provide the necessary fund to fund the bottom-up review. Let me also say that if we see -- if the military commanders here, the secretary sees a shortfall in readiness or any other change that would impair the strategy we're under or the readiness of our forces, we will come back and say that we need more money. But presently this -- we believe that this is an adequate planning base for the multi-year period.

Yes, sir?

Q: Dr. Deutch, on the TSAM, is it your intention to go back to the drawing board, start from scratch with the new competition, or to turn to something which may be an 80 percent solution already resident in some other system?

MR. DEUTCH: We would plan to start afresh. Yes, sir?

Q: Dr. Deutch, yesterday we were briefed about the force consolidation for the Army, and I just want to ask if the present timetable, especially for reducing our strength in Europe -- I think by 10,000 was mentioned -- if the timetable is correct for the circumstances that exist in the Balkans at the present.

MR. DEUTCH: We believe that in general the bottom-up review map for drawdown of the end strengths of the different services remains the right planning base. The actions taken by the Army we think are consistent with that plan. The ability to handle anything which comes up in Bosnia, that Bill discussed before, is certainly provided for by the combination of the mobile Army forces we have here in the United States and the forces which are in Europe.

Yes, sir?

Q: Senator Warner and McCain have identified what they say are \$8 billion in wasteful and unneeded programs. Have you had a chance to look at that? And is there a possibility that you would follow through -- (inaudible) -- recommendations? Second part, have you consulted with Congress on this modernization and do you anticipate having some changes as a result of the Republican majority there?

MR. DEUTCH: Let me answer the last question first. Yes, we have talked with members of Congress about what our plans are. Both the menu of reductions, which was presented initially in August in the Perry memo, the -- (laughter) -- the menu of those reductions has certainly not changed. It was there before. And the actions that are taken are the actions that Secretary Perry and I believed were the best actions to take irrespective of this election.

Q: Can you talk about the McCain and Warner recommendations? Have you had a chance to look at that?

MR. DEUTCH: I have looked at it. I'm not -- presently can't give you a thoughtful reply to it. We don't think, though, that the characterization of that magnitude of wasteful programs is an accurate representation of what Congress has voted for us in past years.

Yes?

Q: Explanation on the new attack submarine program? There's some confusion between what Dr. Perry said and what the statement here says. When is the first production submarine under your new program?

MR. DEUTCH: The new attack submarine, the first submarine would be authorized in '98, and the original -- what was in the program before this decision was announced was a sequence first of the new attack submarines in '99, the second in '00 and the third in '01. And what we are saying is we are changing that production schedule for the new attack submarine to '98, '00, and then '02.

Q: One a year?

MR. DEUTCH: One every other year I believe that corresponds to.

Q: So what's the '96 -- (inaudible)? Is there one in '96? It says '96. (Pause.)

MR. DEUTCH: I haven't seen what it says.

Q: Is that just the last Seawolf?

MR. DEUTCH: It's the last Seawolf.

Q: Dr. Deutch, last summer you -- in your memo you indicated a possible elimination of the V-22 Osprey. What changed your mind?

MR. DEUTCH: Well I've spent a lot of time on the V-22 Osprey and I'm convinced, personally convinced that that airplane will provide an entirely new set of technical opportunities both for the Marine Corps and for the special operating forces. I think what was a matter of concern to all of us was to the cost per aircraft there compared to some of the helicopter alternatives. I have become convinced, as have others in this department, that the capability which is provided by the V-22 will not only meet the medium lift requirements of the Marine Corps to replace the CH-46 -- aging CH-46 helicopter, but also is going to provide a new dimension in mobility and technical capability for the Corps and for the special forces, which I think is going to have a very, very significant effect on their capability over time. So I'm a particular advocate of this production decision.

Yes --

Q: Has the program solved its problems?

MR. DEUTCH: Yes, I think it has in large

measure. And of course all of these decisions are subject to scrupulous technical management for them to be successful, and if we see a management problem we will adjust the program accordingly, and that's an important reservation that should always be remembered.

Yes, ma'am?

Q: I have two quick questions. One is, it was mentioned that without Comanche that that role would be filled by the Long Bow. Does that mean that it will not -- that Kiowa Warrior will not take any part of that mission?

And the second question is, of the \$4 billion that still has to be accounted for, do you have any idea what accounts that will come out of?

MR. DEUTCH: The answer to the first question is, is that I think the Apache Long Bow is just pointed to as one of the systems available to the Army and one that we think is quite capable. We certainly hope that that system will become -- we expect that that system, along with the other helicopter systems, will become the bedrock of the Army for the next several years.

I think the other accounts question is really here we're talking out of a \$250 billion budget when we do budget scrubs and we have changed circumstances that that's within the level over a five-year period where we can easily take the management actions which are required to find that money. That's certainly our expectation.

Yes, sir?

Q: Does that mean you abandon the plan to cut \$1.8 billion out of the missile defense program?

MR. DEUTCH: I'm sorry. I didn't --

Q: DOD wanted to cut \$1.8 billion out of the missile defense program. Is that still on the chopping block?

MR. DEUTCH: No. We have the -- we have tried to defend the ballistic missile defense program, which we think is a good one, for a number of years. We laid out a strategy for that in the bottom-up review, and we are -- we hope to stick with that strategy, which puts a special emphasis on theater ballistic missile defense.

Yes?

Q: Can you tell us how that \$7.8 billion breaks down over the next few fiscal years, the savings?

MR. DEUTCH: The \$7.8 billion which is the difference there? I'll have to get back to you.

Q: How much is it per year?

MR. DEUTCH: I'll have to get back to you. How much is per year, yeah. I mean, I can assure you that we will be okay in '96, because we're going to have to lock it up here in a week or so.

Yes, sir?

Q: The delays in the procurement that you lay out here on the whole continue the trend of pushing off the major equipment decisions until even after the '96 FYDB. Are you still assuming that you're going to have -- the budget is going to have to go up in real terms after the '96 FYDB?

MR. DEUTCH: The budget will go down in '96, it will go down in '97. And then it begins an upturn in '98. In '99 it will be -- as the president announced, it will be 1 percent real growth in those outyears after that. So what we will have to see that trend is necessary for meeting the recapitalization/modernization bow wave that does exist after the end of the turn of the century. That's going to have to be met by three different measures.

Measure number one is some increase in real budget of the department. We have made no -- we've always acknowledged that that has to be dealt with, and we are putting off these modernization decisions because of the emphasis on readiness and on people.

Secondly, we hope at that time to benefit from acquisition reform efficiencies, although we have yet to see those come. They have to come over time.

And third, I want to point to the importance of understanding new joint war-fighting capability and effectiveness, and that's a way of making the force of the future -- the military force of the future more effective at lower cost.

Q: Could I just follow up? On the programs you can see coming down the line now, how big a bow wave is there after 2001?

MR. DEUTCH: Well, it's quite considerable if you imagine re-buying the inventory we have today. And the point I'm trying to stress to you is that I do not think we should be thinking in those terms. We should be thinking of building a new military force of the future to meet future needs with higher technology and then you're not re-buying the same inventory and the numbers would become much smaller.

Yes, ma'am?

Q: Yeah, I have two questions. On Comanche, do you anticipate enhancements to the Apache Long Bow

or some of the other helicopters to help them fill in? And the second question on JPATS, how did you go from considering delaying production by seven years a few months ago to deciding not to touch the program at all?

MR. DEUTCH: In the case of additional enhancements for existing helicopters, I think qualitatively the answer to that is no. With respect to JPATS, JPATS is a central capability for the Air Force especially, and later for the Navy, to train both men and women pilots in a trainer which represents much more safely, but also more -- with higher relevance to the actual modern fighters that these men and women will be flying in. And I think the reason that the JPATS fighter -- the JPATS trainer was -- came out so well was the enormous emphasis that the Air Force places on this as a way of training and maintaining in the longer run the high quality of our pilots.

Q: On Comanche, the rationale for going ahead with the cost of finishing the two prototypes, is it possible that at some point in the not indefinite future the program in more or less its current form to go back on line? Or are there substantial elements of the Comanche technology that could be applied (sic) to the existing platforms? Or do we keep it alive just so that we can start on a clean piece of paper somewhere down the road?

MR. DEUTCH: No, I think that it's very clearly the point that you mentioned about the technology which is being developed there we think will have widespread application to a number of Army programs, including potentially future helicopter programs. That's the principal motivation.

Yes, sir?

Q: Last week you said you want to keep some Navy frigates? How many and on what schedule?

MR. DEUTCH: No decision has been made on that. That's one of the things that's still under consideration here.

Thank you all very much.

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